



THE DEPUTY SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

JUL 13 1974

MEMORANDUM TO THE CHAIRMAN, UNDER SECRETARIES COMMITTEE

SUBJECT: Monitoring Overseas Direct Employment

The Chairman of the Joint Chiefs of Staff and I feel that the proposed MODE (Monitoring Overseas Direct Employment) system (outlined in NSC-U/SM-119L, dated 24 June 1974), is too rigid and cumbersome for present requirements. OPRED, the predecessor to the proposed system, served a useful purpose in reducing the number of U.S. personnel in our Embassies. Our primary needs now are to monitor the level of U.S. presence in Missions abroad (so as to forestall significant and uncalled for increases in any agency's presence) and to provide flexible and responsive procedures for making the most efficient and timely use of available personnel resources to meet rapidly changing requirements on the international scene.

DOD recognizes the need for a system of monitoring the level of U.S. presence in U.S. Embassies overseas. It also recognizes the need for procedures to settle interagency disputes as to the number of personnel to be assigned to various Missions. DOD believes, however, that far more flexible procedures than those which have been proposed for the MODE system are needed to allow for efficient management and rapid inter-regional transfer of our manpower resources around the world. The effect of the sort of procedures proposed has been shown to be that of escalating minor disputes rapidly and repeatedly to disproportionately high levels where they absorb excessive amounts of executive time. More appropriate procedures ought to allow for settlement of interagency disputes at much lower levels than those proposed -- if possible, at the country level. DOD scrupulously coordinates all its proposals for manning changes with the appropriate Ambassador, in recognition of the need to assure Ambassadorial control over the composition of Embassy staffing. Where such discussions produce agreement, we feel that the proposal in question ought to be implemented without further processing. Where disagreement exists, disputes ought to be escalated gradually in the home offices in Washington, with provision for settlement at any level at which agreement is achieved.

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in the past few years, the Defense Department has dramatically reduced its overseas presence and further significant reductions are planned in FY 75. We feel that our proven record of reductions in overseas presence and of thorough management review of overseas manning, render superfluous the additional controls proposed under MODE. MODE exceeds the requirements of the present situation by placing heavy emphasis on rigid ceilings and controls. Since these controls would apply only to the less than 1 percent of DOD's overseas presence that is assigned to Embassies, these controls are disproportionately expensive and time-consuming as well.

We must also restate our belief that Defense Attaches are properly excluded from the proposed system. Reductions in the attache system were suspended by the White House memorandum of 26 May 1970. Attache manning has already been reduced by some 58 percent since 1963. If the existing reduced manning cannot be filled because of procedural delays such as those repeatedly experienced under procedures of the sort now proposed for MODE, such impediments to filling authorized billets amount to continuing de facto personnel reductions.

For the above reasons, therefore, the Department of Defense non-concurs in the proposed draft directive and supporting guidelines.

A. P. Clement

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74-0812

GUIDELINES FOR MONITORING
OVERSEAS DIRECT EMPLOYMENT (MODE)

A. Purpose.

The President's directive of _____ to the NSC Under Secretaries Committee to control the number of U.S. Government employees abroad shall be carried out under these guidelines. The purpose of the directive and these guidelines is to maintain the number of employees abroad in full-time permanent positions most appropriate to overall U.S. objectives and to aid Diplomatic Mission Chiefs in supervising their missions as instructed by the President. These guidelines replace the OPRED guidelines of November 25, 1970.

B. Scope.

1. MODE includes a position control system applicable to all full-time permanent, direct-hire U.S. Government employees, including foreign nationals, and U.S. military personnel under the jurisdiction of a Diplomatic Mission Chief. Defense Department and Coast Guard personnel, military and civilian, not under such jurisdiction are excluded. This is the same coverage pertaining to OPRED under the November 25, 1970 guidelines, except that personal service contract employees are excluded.

2. MODE also entails semi-annual reporting of the number of employees and uniformed personnel encumbering the controlled positions. Special reports may be required from time to time for the President or the Congress covering contractual employees, non-appropriated funds employees, dependents, and military personnel not under the jurisdiction of a Diplomatic Mission Chief.

3. The MODE system shall be administered by the Under Secretaries Committee and its staff with appropriate consultation with those officials or bodies exercising other coordination responsibilities assigned by the President, e.g., the Director of Central Intelligence; the Cabinet Committee on International Control of Narcotics; the Director of the Office of Management and Budget.

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C. Position Control System

1. Initial ceilings. OPRED ceilings in effect on June 30, 1974 shall continue in effect until adjusted pursuant to the procedures set out in this guideline paper.

2. Ceiling composition. Each agency's ceiling shall be worldwide and stated in terms of foreign national positions and American positions. A record shall be maintained by each agency and the Under Secretaries Committee of the distribution of each ceiling by foreign country and subordinate agency organizational unit or program, e.g., FBI, DEA, INS for the Justice Department. Adjustments shall be made in these components as ceilings are adjusted as set out in sub-section 5 below.

3. Agency Responsibilities

a. Employing agencies are responsible for developing proposals to adjust position ceilings and for managing the deployment of their employees as position ceilings are adjusted. In the case of employees working under Participating Agency Service Agreements (PASA), responsibility for developing proposals for establishing and terminating positions lies with the Agency for International Development and responsibility for effecting personnel changes lies with the employing agency.

b. An agency may elect to administer its MODE system through subordinate organizational units or programs, e.g., DIA, ISA, DMA in the Defense Department.

c. To the extent that negotiations with foreign governments are required before activities and employment can be initiated, expanded, reduced, or ceased, the proposing agency is requested to draft relevant papers to assist the Department of State in transmitting negotiating instructions to the appropriate Diplomatic Mission Chief.

4. Diplomatic Mission Chief Responsibilities

a. Agency proposals. The Diplomatic Mission Chief shall comment on each position change referred to him by the Under Secretaries Committee in an expeditious manner, preferably within fifteen days of receipt of the Committee's referral. All new positions under a Diplomatic Mission Chief will be referred to him for his views.

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b. Diplomatic Mission Chief Proposals. Consistent with the President's letter of December 9, 1969, the Diplomatic Mission Chief shall review his Mission's staffing as he deems appropriate, in consultation with senior in-country agency representatives, and make his recommendations to the Secretary of State and the Under Secretaries Committee. Such recommendations shall be handled by the Committee in accordance with the procedures set forth in sections 5.c. and 5.d. as appropriate to the case.

5. Adjustment Procedures.

a. Informal exploratory communications between agencies and Diplomatic Mission Chiefs are authorized and encouraged with respect to proposals to establish or eliminate positions. Experience indicates that early, informal consultation often aids agency and Under Secretaries Committee decision-making. Agencies may consult informally with Diplomatic Mission Chiefs either directly or through their senior representative in-country and either via the State Department message system or via the agency's message system. All such messages should bear the caption MODE in the subject line.

b. Formal agency proposals must be referred via the Committee's MODE Staff for decision pursuant to sections 5.c. and 5.d. below. Communications seeking or relaying definitive comments of Mission Chiefs shall be sent via the State Department message system unless written interagency agreement provides for use of agency message systems. All such messages shall bear the caption MODE in the subject line.

c. Off-set adjustments. It is the policy of the Under Secretaries Committee to encourage agencies to reprogram lower priority current positions to meet higher priority new requirements. To the extent this can be accomplished within the geographic area of responsibility of each regional bureau of the Department of State, the Assistant Secretary of the pertinent bureau, with the concurrence of the Diplomatic Mission Chiefs involved, may approve on behalf of the Chairman of the Under Secretaries Committee adjustments which do not change the number of positions or which decrease the number of positions within the Assistant Secretary's area of responsibilities.

d. Proposed ceiling adjustments that involve net increases in the number of agency positions or that involve offsets or net decreases across geographic areas

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of Assistant Secretary responsibility shall be approved by the Chairman of the Under Secretaries Committee. The Chairman of the Under Secretaries Committee may delegate his authority to approve such adjustments to the Chairman of the Senior Management Review Group, i.e., the Deputy Under Secretary of State for Management.

e. Content of Proposal Justifications. Experience since 1969 indicates that decisions on position ceiling changes are facilitated if the information set out in Attachment A is provided by whoever initiates a proposal.

6. Appeals.

It is the policy of the Under Secretaries Committee to encourage resolution of inter-agency disagreements at the lowest practical level.

a. In the case of a disagreement with the decision of an Assistant Secretary under section 5.c. above, an agency may appeal to the Senior Management Review Group. In the event that agreement cannot be obtained by the Senior Management Review Group, an agency may appeal to the Under Secretaries Committee.

b. In the case of a disagreement with the decision of the Chairman of the Senior Management Review Group under section 5.d. above, an agency may appeal to the Under Secretaries Committee.

c. All agencies have the right to appeal to the Under Secretaries Committee. The Committee agreed in its meeting of May 20, 1974, that appeals to the Committee should be limited to issues of major significance.

D. Reporting System

1. Direct-hire employment. Agencies shall transmit semi-annual reports, effective June 30 and December 31, showing the number of direct-hire positions and the number encumbered in each foreign country by subordinate organizational or program unit, e.g., FBI, INS, DEA for the Justice Department, and by nationality of employee, e.g., American or foreign national. (American citizens locally hired and paid at local wage rates for positions usually encumbered by foreign nationals shall be reported under the foreign national category.)

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These reports shall be transmitted to the MODE staff director within 30 days after the semi-annual reporting date. A copy of each agency's "Monthly Report of Federal Civilian Employment" (SF-113A) or equivalent document shall accompany the semi-annual report with a brief analysis bridging from that document to the agency's MODE employment level.

2. Other types of employment or presence. From time to time, the Under Secretaries Committee is requested to provide data to the President or to the Congress regarding the number of dependents, contractual employees, non-appropriated funds employees, and military personnel abroad. To the extent possible, these data shall be obtained from current agency reporting. Agencies are requested to cooperate with the Committee in providing their existing data and any data that requires a special reporting effort.

E. MODE Staff Director

The MODE Staff Director (M/MS, Room 2238, New State; telephone 632-3796) has been established as the central point for coordination of MODE matters. To facilitate the work of the Under Secretaries Committee regarding the MODE system, the MODE Staff Director is responsible, on behalf of the Chairman of the Under Secretaries Committee, for --

1. serving as the central clearing house of information for all agencies, elements of the State Department, and missions overseas regarding MODE policies and practices;

2. advising and assisting parties in processing adjustment proposals (sec. C. 5. above) and appeals (sec. C.6. above);

3. developing instructions for MODE reports and preparing necessary compilations and summaries of reports (sec. D. above); and,

4. drafting, as appropriate, and coordinating for the Under Secretaries Committee MODE messages to the field and correspondence among agencies.

Agencies and elements of the State Department are requested to keep the MODE Staff Director currently informed on MODE matters and to consult fully with him.

ATTACHMENT A

Justifications* for Position Changes

1. Titles of positions involved.
2. Duties, including those beyond country of residence; identification of foreign officials who will normally be dealt with.
3. Date of establishment and expected duration.
4. Nature of administrative support, perquisites, titles, expected from diplomatic mission.
5. Anticipated reaction of host government(s) to proposed establishment or elimination of position.
6. Identification of any off-set position(s) by location, organization and title.
7. The disposition of functions of positions to be eliminated, whether by off-set or not, shall be explained.

*To be provided by proposal initiator, e.g., agency or Diplomatic Mission Chief.